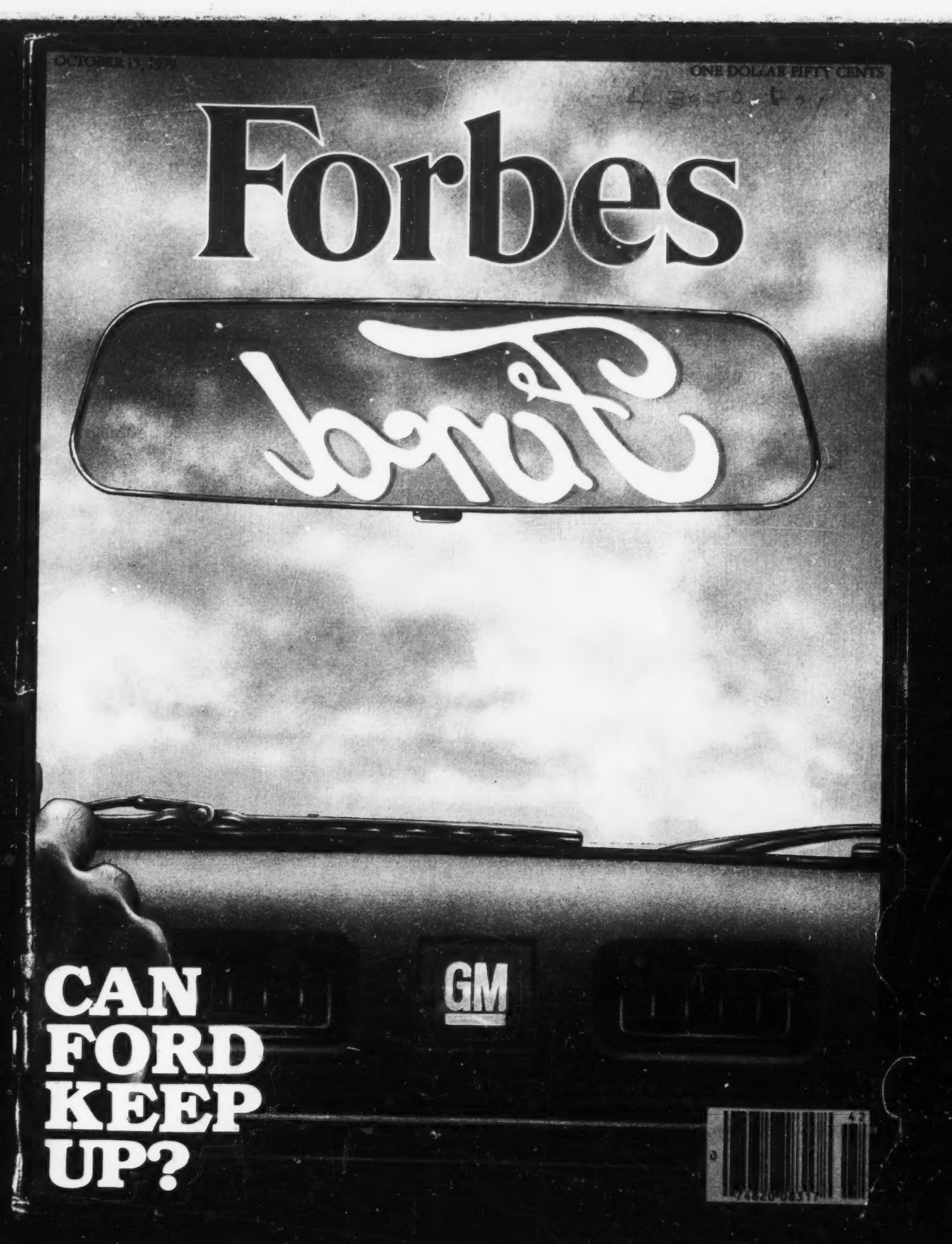
OCTOBER 15, 1979

ONE DOLLAR FIFTY CENTS

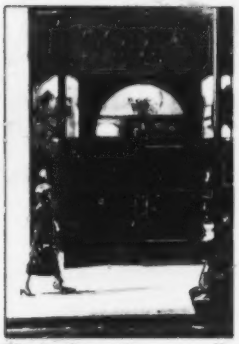
Forbes



CAN FORD KEEP UP?

Forbes

October 15, 1979
Volume 124, Number 8



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Companies: *The Struggles Of A Faded Star.* Back in the early Seventies, Charlotte, N.C.'s NCNB Corp. was Wall Street's favorite bank company and so confident it would inherit the world that one executive who joined it in its glory days told his wife: "I've never seen so many people who can walk on water." Alas, NCNB is doing sensible things these days, but the analysts don't love it as they did when it did wild things. **78**

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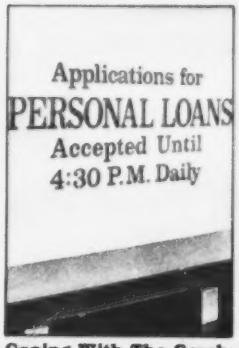

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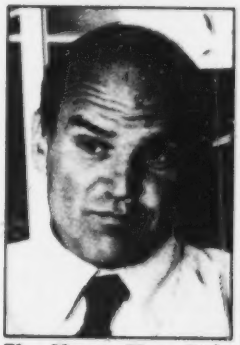

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The Up-And-Comers: *Who Needs Las Vegas?* Centronics Data Computer is the leading independent supplier of printers to the computer industry today because founder Robert Howard came up with an electronic device to control "skimming" in Nevada gaming casinos a decade ago. So why did he spin off the goose that laid the golden egg? **115**

Companies: *Pioneer's Sustained Yield.* Henry Agard Wallace, FDR's Agriculture Secretary and Vice President and later the left-wing Progressive Party's presidential candidate, may be only a footnote in political history, but his place in business is more secure. More than 50 years ago, Wallace founded Pioneer Hi-Bred International to produce hybrid corn seed. Still following Wallace's basic principles, Pioneer has become the world's largest seed-corn producer and an enviably profitable company. **120**

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Statistical Spotlight: *The Return Of Benjamin Graham.* Back in the depths of the Depression, the father of modern security analysis laid down the criteria that became the basis of FORBES' "Loaded Laggards." Over the years, the criteria were relaxed as the market rose. Now, however, some stocks are so depressed that Graham's original standards once more can be applied. Result: Almost 200 companies are worth more dead than alive. **158**

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Think of a time when stocks of 191 important American corporations are selling for less than net working capital per share. Are we talking about 1932? No, 1979.

Statistical Spotlight

The return of Benjamin Graham

"More than one-third of all industrial stocks are selling in the open market for less than the companies' net quick assets."

NO, WE ARE NOT TALKING about today's stock market. The above quote is from one of three articles written for this magazine by the late Benjamin Graham, the respected father of modern security analysis. The date: June 1, 1932. Graham's statement could be applied to the *1979* stock market. Except for a brief period in 1974, this is the first time since the 1930s that the Dow Jones industrial average has sold at a major discount from book value.

In his FORBES articles Graham was talking about depressed stocks, in effect, worth more dead than alive. He said the management owed it to stockholders to consider liquidating the business. Today many major corporations *are* actually liquidating themselves by selling out.

Applying the term "Loaded Laggards" to stocks selling at big discounts from their asset values, FORBES editors later began publishing annual lists based on modifications of Graham's criteria. As the years passed and the market rose, we relaxed these criteria; had we not done so there would have been no list of Loaded Laggards. Now, however, the market, adjusted for inflation, has lost half its value in the past decade. If the economy is in a recession, the stock market, or large parts of it, are in a depression. So with this issue we go back to Ben Graham's original tough criterion for Loaded Laggards: The stock had to be so cheap it sold for less than the company's net working capital—after deducting all debt and preferred stock. So depressed is the current market our computer turned up 191 such stocks. They are listed on the following pages, divided into four categories: profitable companies listed on the New York Stock Exchange, the American Stock Exchange, over-the-counter and unprofitable companies.

Almost 200 companies worth more dead than alive! A sad commentary on the state of the U.S. stock market. A brilliant opportunity for corporate acquisitors and bargain-hunting investors. By the way, there is one company on today's list that was also on Graham's 1932 list: Munsingwear. ■

"Some stocks selling for less than net current assets."

The above title—exactly as Ben Graham wrote it in FORBES in 1932—was used to identify companies selling for less than liquidating value, "worth more dead than alive." Back then one out of every three Big Board stocks was in that condition. Today it's 1 out of 40.

Company	Discount from net working capital	Net working capital per share*	Discount from book value	Book value per share†	Cash per share	Recent price	Five-year price range	Latest 12-month earnings per share	Price/ earnings ratio
New York Stock Exchange									
Salant	47%	$11.40	62%	$15.71	$0.56	6	9⅜– 3¼	$0.89	7
Lowenstein (M.)	44	18.91	76	44.36	1.46	10⅝	19⅞– 8⅞	2.75	4
Craig Corp	43	12.68	44	13.03	0.54	7¼	16⅛– 2	0.59	12
Jantzen	30	22.24	42	26.86	1.44	15½	23⅜– 9½	2.87	5
Oxford Industries	29	15.17	53	22.64	0.84	10¾	25⅛– 7	2.24	5
Hart, Schaffner & Marx	26	17.04	45	23.10	3.24	12⅝	16 – 5½	2.27	6
Sterchi Brothers Stores	23	14.07	33	16.24	1.01	10⅞	13 – 4⅝	2.18	5
Coachmen Industries	22	7.50	57	13.74	0.29	5⅞	19⅜– 1½	0.24	24
Manhattan Industries	22	8.92	65	19.84	1.20	7	12⅞– 1¾	2.08	3
Facet Enterprises	22	8.02	59	15.31	0.53	6¼	9⅝– 3⅞	0.07	NM
Cooper Tire & Rubber	19	15.86	51	26.44	3.66	12⅞	18⅜– 5¼	3.34	4
Cunningham Drug Stores	19	14.13	50	23.17	2.40	11½	13 – 3⅜	1.61	7
Tandycrafts	19	7.08	36	8.93	0.45	5¾	6⅞– 3⅜	1.66	3
Phillips-Van Heusen	17	15.70	51	26.40	1.77	13	18 – 3⅞	2.35	6
Munsingwear	17	17.72	50	29.54	0.81	14¼	20⅞–11	1.21	12
Fabri-Centers of America	17	6.15	51	10.46	0.55	5⅛	12¾– 2⅞	1.13	5
Cannon Mills	16	23.77	40	33.56	7.09	20	24¾–10¼	3.25	6
Bayuk Cigars	15	13.58	25	15.29	0.35	11½	12½– 3¾	1.83	6
Cluett, Peabody	14	11.62	48	19.12	2.13	10	14⅞– 3¼	1.68	6
Leslie Fay	13	8.36	38	11.64	0.59	7¼	10¼– 3	1.60	5
Adams Drug	11	4.75	34	6.48	0.91	4¼	6¼– 1¾	0.69	6
Zale Corp	9	24.21	18	26.95	2.77	22⅛	25⅛– 9¾	3.27	7
Faberge	8	10.74	46	18.29	1.08	9⅞	13⅜– 4½	1.09	9
Gateway Industries	1	9.13	33	13.37	6.33	9	11¼– 1¼	2.02	4
Springs Mills	1	18.26	50	35.75	2.42	18	20⅞– 8⅝	3.66	5
Jonathan Logan	1	13.43	60	33.68	4.27	13⅜	18¾– 4¾	1.23	11
General Medical	1	13.04	25	17.40	0.20	13	21½– 6⅛	1.38	9

*Current assets minus all liabilities and preferred stock. †Excluding intangibles, as of latest fiscal year-end. NM = Not Meaningful.

Company	Discount from net working capital	Net working capital per share*	Discount from book value	Book value per share†	Cash per share	Recent price	Five-year price range	Latest 12-month earnings per share	Price/ earnings ratio
American Stock Exchange									
UDS	59%	$ 4.85	62%	$ 5.28	$ 0.30	2	3¾– ⅜	$0.19	11
Damon Creations	56	6.80	69	9.61	0.43	3	6 – 1⅞	0.60	5
Splentex	55	11.22	58	12.02	0.17	5	7¼– 3⅜	0.62	8
Ronco Teleproducts	55	6.08	49	5.39	2.86	2¾	5 – ½	0.81	3
Greenman Brothers	52	5.97	71	9.96	1.34	2⅞	6⅛– ⅝	0.16	18
Belscot Retailers	52	4.14	72	7.10	0.90	2	3¼– ¾	0.11	18
Int'l Seaway Trading	49	13.72	51	14.32	1.15	7	11¼– 1¼	0.91	8
Spencer Co's	49	8.13	53	8.85	5.88	4⅛	8½– ⅞	0.55	8
Family Record Plan	47	6.10	54	7.07	2.65	3¼	5 – ⅞	0.49	7
Pat Fashions Industries	45	10.53	48	11.04	0.32	5¾	6½– ¾	1.71	3
Stardust	45	2.72	59	3.66	0.05	1½	3⅜– ⅞	0.01	NM
Ketchum & Co	43	8.74	54	10.95	1.67	5	7⅛– 1⅝	0.27	19
Thorofare Markets	42	6.93	60	10.12	1.24	4	5⅛– 2	0.39	10
Schrader (Abe)	41	5.08	51	6.09	1.33	3	8⅞– 1½	0.06	NM
Cohen-Hatfield Industries	40	6.91	56	9.35	1.23	4⅛	5½– ½	0.43	10
After Six	36	8.78	61	14.57	0.94	5⅜	9⅜– 2	0.79	7
Olla Industries	36	13.32	43	14.86	6.08	8½	10¾– 1½	1.64	5
Buildex	36	6.28	63	10.94	0.56	4	6 – 2¾	0.82	5
Wolf (Howard B.)	35	4.39	35	4.45	1.37	2⅞	4⅜– 1⅜	0.27	11
Crowley, Milner	34	14.80	59	24.01	10.88	9¾	10½– 5⅜	1.43	7
Three D Depts	33	5.77	36	6.06	2.57	3⅞	4⅜– ¾	1.15	3
Esquire Radio & Electronics	33	23.95	34	24.09	4.45	16	19½– 2⅞	2.89	6
Discount Fabrics	31	2.35	48	3.10	0.04	1⅜	3⅞– 1¼	0.33	5
Caressa	31	5.07	35	5.40	3.23	3½	8⅜– 2¼	0.44	8
Penobscot Shoe	30	7.63	43	9.35	1.21	5⅜	5⅜– 1	0.70	8
Lilli Ann	30	11.39	41	13.56	7.62	8	8⅜– 3⅜	0.74	11
Bro-Dart Industries	29	5.82	42	7.13	0.21	4⅛	6 – ⅝	0.28	15
Ormand Industries	28	3.82	58	6.61	1.30	2¾	5¼– ¾	0.22	13
Universal Cigar	28	7.48	33	8.02	2.34	5⅜	6 – 1⅞	1.34	4
Stanwood	26	4.59	57	7.92	0.52	3⅜	7⅜– ⅜	1.19	3
Morton Shoe	26	7.97	49	11.60	1.28	5⅞	9 – 2⅞	1.36	4
MPO Videotronics	26	7.43	37	8.77	0.58	5½	9 – 1	0.98	6
Atalanta	26	9.64	51	14.48	1.23	7⅛	9⅜– 2¾	1.00	7
Jaclyn	25	6.71	36	7.77	1.64	5	10⅛– 3⅛	0.84	6
Andrea Radio	21	5.22	35	6.39	4.43	4⅛	5½– 1⅝	0.47	9
Volume Merchandise	21	6.34	38	8.00	3.47	5	5¾– ½	1.01	5
Barton's Candy	21	4.26	50	6.80	1.52	3⅜	5⅜– 1⅜	0.15	23
Jensen Industries	19	6.17	23	6.47	2.03	5	10⅛– ½	1.42	4
Lynnwear Corp	18	2.60	42	3.67	0.04	2⅛	3⅞– ⅞	0.41	5
Movie Star	17	13.58	34	17.15	1.84	11¼	13¾– 3¼	2.46	5
Brad Ragan	17	8.33	54	14.92	1.60	6⅞	25½– 5	0.81	8
Lazare Kaplan Int'l	16	15.86	9	14.68	0.86	13⅜	17 – 3	2.77	5
Nestle-LeMur	16	3.74	24	4.11	1.72	3⅛	3⅞– ⅞	0.35	9
RPS Products	14	2.18	45	3.40	0.33	1⅞	3¼– 1	0.30	6
Kenwin Shops	14	12.46	27	14.66	1.26	10¾	12⅞– 3	2.36	5
Fischer & Porter	13	14.08	44	21.83	0.25	12¼	18¾– 3½	1.76	7
G.R.I.	12	5.52	35	7.55	0.34	4⅞	15⅜– 2	0.64	8
Mount Vernon Mills	9	27.14	53	53.05	1.01	24¾	27 –11⅜	5.71	4
Plymouth Rubber	9	3.57	53	6.85	0.30	3¼	3¾– 1⅜	0.24	14
Lodge & Shipley	8	3.14	29	4.03	0.14	2⅞	4⅛– 1	0.33	9
Torin	7	14.98	46	26.11	0.55	14	17⅜– 7½	2.47	6
Marshall Industries	7	9.28	18	10.49	0.05	8⅜	8¾– 2¾	0.72	12
Prudential Building Maintenance	6	5.04	32	6.96	2.37	4¾	10⅛– 1¾	0.42	11
National Spinning	6	6.00	55	12.48	1.32	5⅜	7½– 2¼	0.97	6
Pneumatic Scale	5	19.11	33	27.10	2.27	18¼	26⅛– 9⅛	2.71	7
Chadwick-Miller	3	7.11	26	9.35	1.85	6⅞	8¾– 3	1.17	6
Seaboard Allied Milling	3	19.70	34	29.01	5.03	19⅛	22½– 5	5.58	3
Over-the-counter									
Addmaster Corp	63	3.00	71	3.90	0.46	1⅛	2 – ½	0.14	8
Michaels (J)	55	11.08	64	14.08	0.80	5	6¼– 2⅛	0.95	5
Dewey Electronics	53	3.19	51	3.06	0.52	1½	4 – ½	0.34	4
Weldotron	51	4.59	64	6.18	0.49	2¼	3 – 1	0.53	4
Universal Metals & Machinery	49	5.65	45	5.21	NA	2⅞	3⅜– ⅞	0.68	4
Consolidated Accessories	48	15.39	54	17.22	7.15	8	10¾– 1¾	1.68	5
Dynascan Corp	48	7.17	52	7.74	0.15	3¾	15 – 1½	0.53	7
Rodale Electronics	48	15.28	46	14.79	13.52	8	9½– 1¾	0.30	27
Century Papers	46	5.09	64	7.69	0.75	2¾	4¼– 1⅞	0.51	5
Rose's Stores	43	21.54	58	29.47	5.51	12¼	17¾– 4¾	3.23	4

*Current assets minus all liabilities and preferred stock. †Excluding intangibles, as of latest fiscal year-end. NM = Not Meaningful.

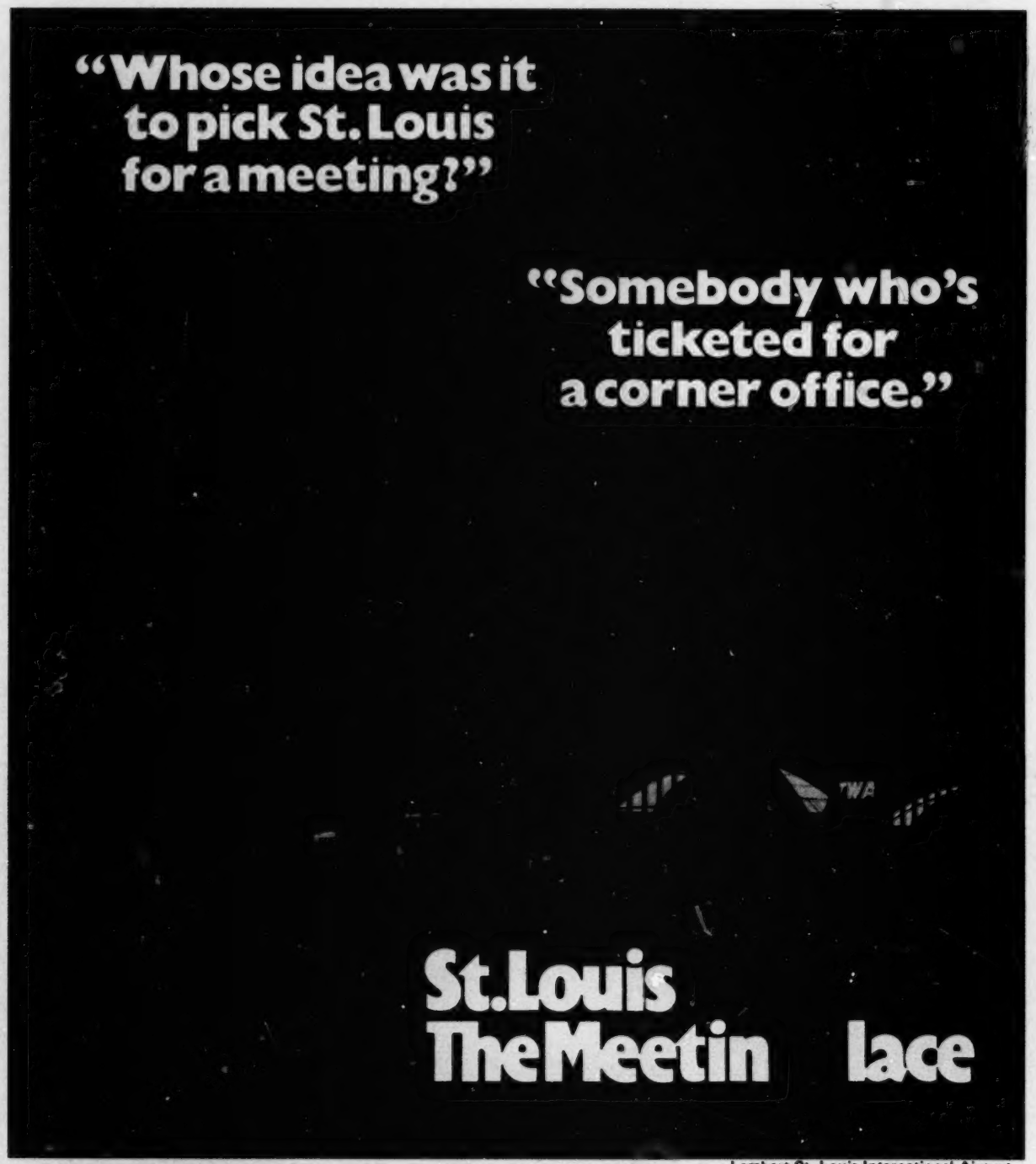
Company	Discount from net working capital	Net working capital per share*	Discount from book value	Book value per share†	Cash per share	Recent price	Five-year price range	Latest 12-month earnings per share	Price/ earnings ratio
Jaco Electronics	42%	$ 5.20	60%	$ 7.52	$ 0.11	3	4 – 1⅜	$0.45	7
Weyenberg Shoe Mfg	41	32.75	29	26.94	13.86	19⅜	24¾ – 8	2.61	7
Cummings Inc, Intl Sign Service	40	2.94	72	6.32	0.14	1¾	2½ – ⅞	0.65	3
Bond Industries	40	15.11	62	23.66	7.87	9	13½ – 2¼	0.57	16
Evans Inc	39	29.21	52	37.17	0.82	17¾	22 – 4¼	4.14	4
Burris Industries	38	3.02	65	5.40	NM	1⅞	4⅛ – 1¼	0.09	21
Roselon Industries	36	6.67	57	9.88	0.73	4¼	5 – 2¼	1.24	3
Union Special	36	25.98	49	32.56	1.54	16¾	20¼ – 10	2.48	7
Schwartz Bros	35	3.85	67	7.62	0.87	2½	4 – ½	0.81	3
Union Metal Mfg	33	14.52	58	23.18	1.38	9¾	15½ – 7	0.10	NM
Sage-Allen & Co	33	6.68	67	13.81	2.10	4½	6¼ – 2	1.39	3
AIC Photo	32	4.04	33	4.08	0.83	2¾	3¾ – ¼	0.72	4
Shatterproof Glass	30	15.33	51	22.07	1.48	10¾	12¾ – 3⅛	1.65	7
Chatham Mfg	29	15.93	53	24.42	0.81	11⅜	14⅜ – 5½	1.68	7
United Consolidated Industries	29	8.14	43	10.14	1.17	5¾	7¼ – 1¼	1.28	4
Unibraze Corp	27	6.87	44	8.85	1.25	5	8½ – 2⅜	0.62	8
Recoton Corp	27	2.22	37	2.57	0.38	1⅝	5⅛ – ½	0.35	5
Davis Water & Waste Industries	26	6.05	54	9.72	1.37	4½	10½ – 2¼	0.50	9
Kiddie Products	26	11.09	43	14.47	0.44	8¼	11½ – ¾	1.78	5
Sadlier (William H)	25	5.17	61	9.90	0.07	3⅞	4⅛ – ⅞	0.47	8
Lipe Rollway	24	6.24	65	13.45	1.22	4¾	5 – 1	0.84	6
Kewaunee Scientific Equipment	24	11.28	47	16.42	0.44	8⅝	10 – 2¾	0.97	9
Steep Rock Iron Mines	22	5.12	29	5.65	4.39	4	4½ – ⅞	0.31	13
United McGill	20	13.75	50	21.79	0.09	11	14¾ – 5	2.41	5
Astrosystems	20	5.03	8	4.35	5.09	4	5⅜ – 2¾	0.95	4
Fritzi of Calif Mfg	17	11.21	32	13.58	0.48	9¼	10½ – 2⅜	2.78	3
Synergistic Communications	17	1.50	42	2.16	0.72	1¼	4 – ⅛	0.08	16
Wham-O Mfg	17	5.70	44	8.42	0.27	4¾	5¾ – ¾	1.66	3
Noland Co	17	11.30	60	23.16	0.26	9⅜	11⅛ – 4½	1.50	6
Champion Products	17	19.96	41	28.08	1.72	16½	19¾ – 10	3.06	5
Ducommun	16	18.85	30	22.46	2.39	15¾	16¼ – 6¼	2.68	6
Bayly Corp	15	16.47	47	26.52	1.37	14	17 – 3½	5.01	3
Strother Drug	15	9.76	26	11.06	0.60	8¼	10¼ – 2⅞	1.37	6
Wright (Wm E) Co	14	6.25	40	8.98	1.02	5⅜	8½ – 2	0.46	12
Doughtie's Foods	14	3.80	55	7.26	0.45	3¼	6½ – 1	0.70	5
Supradur Mfg	13	5.75	36	7.77	2.80	5	6¼ – 3¾	1.65	3
Columbus Mills	13	5.74	52	10.48	0.45	5	9⅜ – 1⅝	2.03	2
Slater Electric	13	10.64	41	15.79	0.14	9¼	10¼ – 2½	3.02	3
Entwistle Co	12	2.84	59	6.17	0.44	2½	6¾ – 1	0.56	4
Barton Brands Ltd	11	11.84	13	12.06	3.27	10½	10½ – 4⅛	1.55	7
Cochrane Furniture	11	3.93	60	8.71	0.05	3½	4¾ – ¾	1.10	3
Pay-O-Matic Corp	11	1.40	60	3.09	7.41	1¼	2¾ – 1¼	0.16	8
Berkline Corp	10	6.84	48	11.79	0.54	6⅛	9⅜ – 2	1.30	5
Syracuse Supply	10	35.65	25	42.95	3.79	32	33 – 11¾	7.17	4
Dollar General	10	10.54	28	13.27	0.73	9½	12⅞ – 3	1.81	5
Minnesota Fabrics	9	5.92	43	9.35	1.58	5⅜	10½ – 2⅜	0.81	7
AVM	9	4.41	54	8.75	2.03	4	6½ – ⅝	1.30	3
Weisfields	8	15.45	25	18.88	0.31	14¼	18½ – 1¾	4.00	4
Frederick's of Hollywood	8	3.96	37	5.75	2.39	3⅝	7⅛ – 3¼	0.63	6
Craddock-Terry Shoe	7	11.84	42	18.85	0.67	11	12⅝ – 3⅜	1.93	6
Cole Consumer Products	7	6.33	37	9.34	0.14	5⅞	6½ – 3½	1.04	6
All American Industries	7	1.48	60	3.42	0.47	1⅜	2⅞ – ⅝	0.22	6
Barber-Greene	7	17.41	58	37.95	2.31	16⅛	24 – 3½	2.58	6
Belknap	7	15.02	20	17.47	0.10	14	16⅛ – 8⅛	1.40	10
Trailer Equip Distributors	6	2.94	67	8.28	0.64	2¾	5¼ – 1½	0.25	11
Welbilt Corp	5	7.87	56	17.02	1.78	7½	17½ – 1¼	3.49	2
Bibb Co	4	15.29	67	44.28	1.32	14¾	15½ – 5¾	3.41	4
Mathematica	2	6.60	9	7.17	1.32	6½	9¾ – 2¼	1.06	6
Vacu-Dry Co	2	1.91	28	2.59	0.87	1⅞	3 – 1⅛	0.14	13
Lyon Metal Products	1	16.90	36	25.99	3.50	16¾	22 – 9¾	3.09	5

In the red

The following companies, traded on the Big Board, Amex and o-t-c, have strong balance sheets but have lost money in the last 12 months. This makes them riskier speculations.

Company	Discount from net working capital	Net working capital per share*	Discount from book value	Book value per share†	Cash per share	Recent price	Five-year price range	Latest 12-month loss per share	Where traded
Concord Fabrics	63%	$ 8.36	73%	$11.79	$0.34	3⅛	7⅜ – 1⅛	$–0.69	ASE
Bowline Corp	61	7.39	64	7.98	0.68	2⅞	18 – ⅛	–0.71	OTC
Cramer Electronics	60	5.89	71	8.15	0.07	2⅜	5½ – 2	–1.50	ASE
Harwood Cos	60	6.89	74	10.78	0.37	2¾	6⅝ – 1⅜	–0.03	OTC
Lafayette Radio	59	4.83	83	11.52	1.64	2	11¾ – 1⅛	–6.21	ASE

*Current assets minus all liabilities and preferred stock. †Excluding intangibles, as of latest fiscal year-end. NM = Not Meaningful.



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*Sales and Marketing Management, February 26, 1979.

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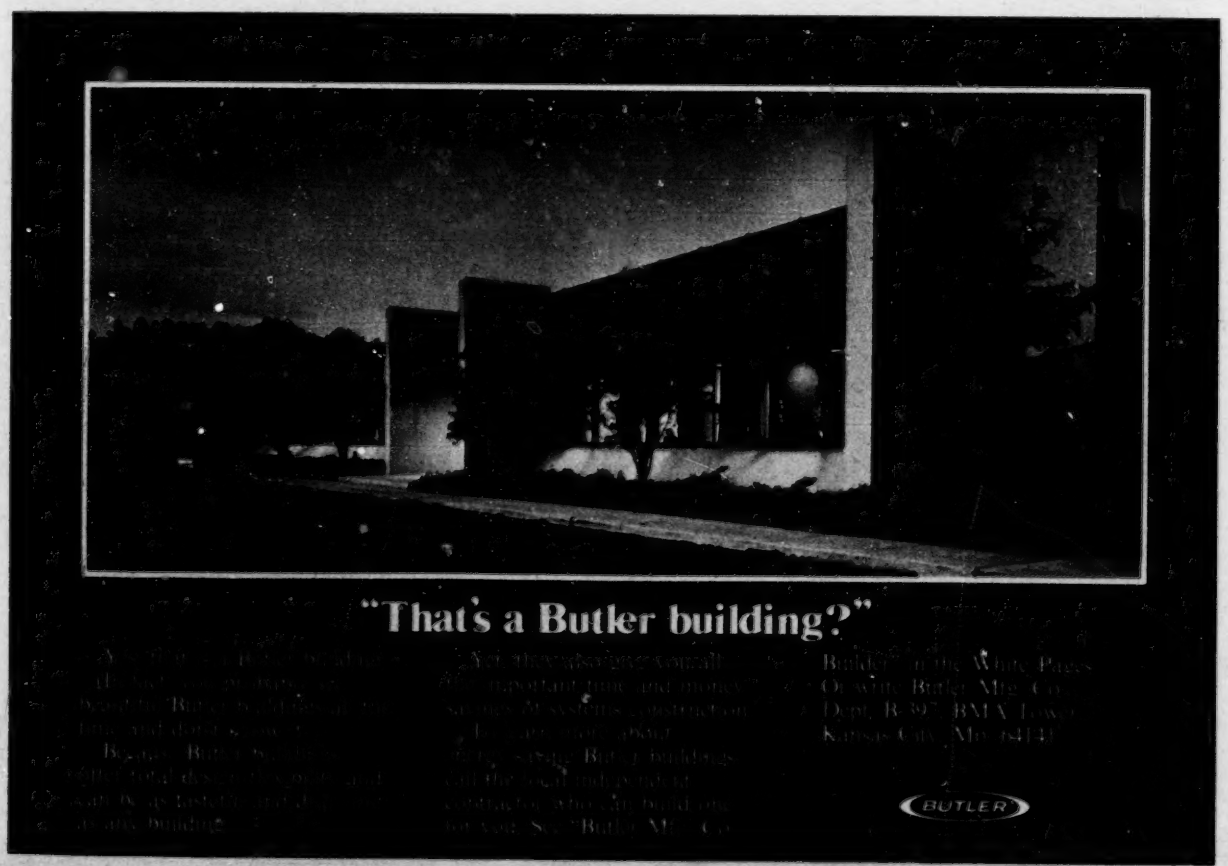
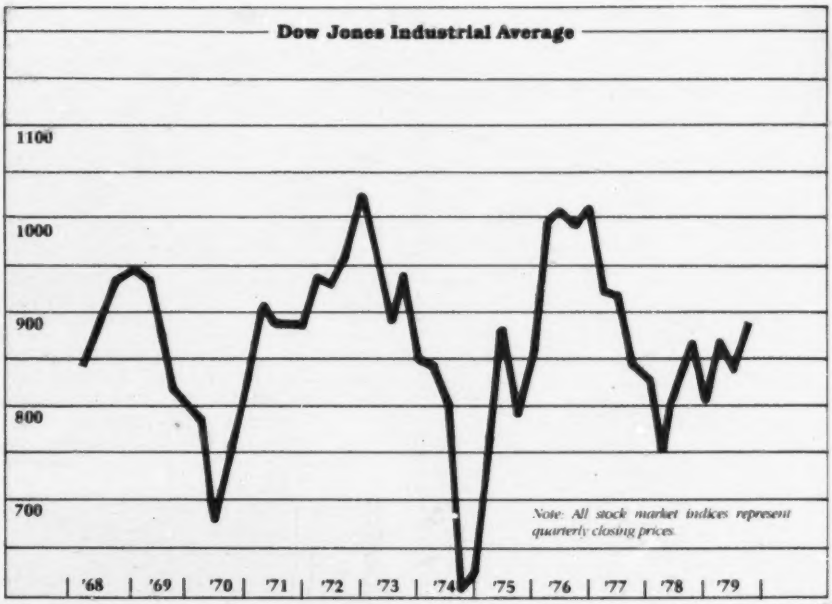
Company	Discount from net working capital	Net working capital per share*	Discount from book value	Book value per share†	Cash per share	Recent price	Five-year price range	Latest 12-month loss per share	Where traded
Travel Equipment	58%	$ 1.80	75%	$ 3.00	$0.13	¾	4½ – ¼	$–0.85	OTC
Joni Blair Calif	56	3.95	68	5.42	0.04	1¾	5¼ – ⅜	–0.21	OTC
National Silver Industries	53	10.48	59	11.91	0.88	4⅞	7¼ – 1⅞	–0.28	ASE
Miller Bros Industries	53	10.16	69	15.48	1.49	4¾	7 – 2¼	–1.09	OTC
Acme Precision Prods	51	2.83	66	4.10	0.91	1⅜	3 – ⅞	–0.51	ASE
SBE	49	1.73	6	2.74	0.15	⅞	13⅜ – ¾	–0.54	OTC
National Paragon	47	2.38	80	6.38	0.12	1¼	12½ – 1	–3.80	ASE
National Hardgoods Dstr	43	4.64	67	8.05	0.47	2⅝	4¼ – ½	–0.03	OTC
Ero Industries	42	4.52	54	5.21	0.59	2⅜	3⅞ – ¾	–0.26	ASE
ProGroup	40	1.66	63	2.71	0.02	1	2⅞ – ⅜	–0.07	OTC
Wilson Brothers	35	3.07	64	5.54	0.29	2	4½ – 1⅞	–0.77	ASE
Pacesetter Industries	33	1.50	66	2.91	0.95	1	3¾ – ½	–1.18	OTC
Soundesign	32	10.86	44	13.22	1.91	7⅜	16 – 2⅞	–0.01	ASE
Noel Industries	31	2.89	59	4.87	0.10	2	3⅞ – ⅞	–0.46	ASE
American Clipper	30	3.21	43	3.98	NA	2¼	11⅜ – 1½	–0.11	OTC
Marshall Foods	30	3.93	75	11.16	0.86	2¾	5¾ – 2⅜	–1.32	ASE
Wayne-Gossard	28	6.97	67	14.99	0.55	5	8⅛ – 3	–0.12	NYSE
LaPointe Industries	28	3.46	55	5.61	1.62	2½	6⅛ – 2¼	–3.03	ASE
Lloyd's Electronics	28	3.29	66	7.03	0.81	2⅜	11½ – 1⅞	–1.54	ASE
Beck/Arnley	25	3.68	58	6.49	0.89	2¾	8 – 2½	–2.18	OTC
Circle F Industries	24	7.85	61	15.54	2.19	6	8 – 1	–0.48	OTC
Burgess Industries	23	3.10	51	4.88	1.08	2⅜	5¾ – 1⅛	–0.23	ASE
Vendo Co	22	7.73	44	10.62	1.17	6	9⅝ – 3	–0.67	NYSE
House of Vision	20	4.51	49	7.06	0.74	3⅝	8 – 3	–0.26	ASE
Masland (CH) & Sons	20	12.30	58	23.31	2.27	9⅞	17 – 3¾	–0.46	ASE
Allied Farm Equipment	17	2.86	57	5.48	0.33	2⅜	5 – 1	–1.29	OTC
Ehrenreich Photo-Optical	16	11.49	33	14.33	2.16	9⅝	14⅞ – 3½	–0.05	ASE
Superscope	14	5.39	78	21.30	2.12	4⅜	40¼ – 4⅛	–8.21	NYSE
Mesta Machine	13	23.02	61	52.14	2.61	20⅛	30⅛ – 14½	–1.19	NYSE
Sterling Extruder	11	2.80	59	6.15	0.20	2½	4 – 1⅛	–0.02	ASE
Tenna	7	2.01	50	3.74	0.09	1⅞	6 – 1	–0.46	ASE
Baker (Michael)	1	5.32	42	9.00	2.15	5¼	9⅛ – 2⅜	–0.10	ASE

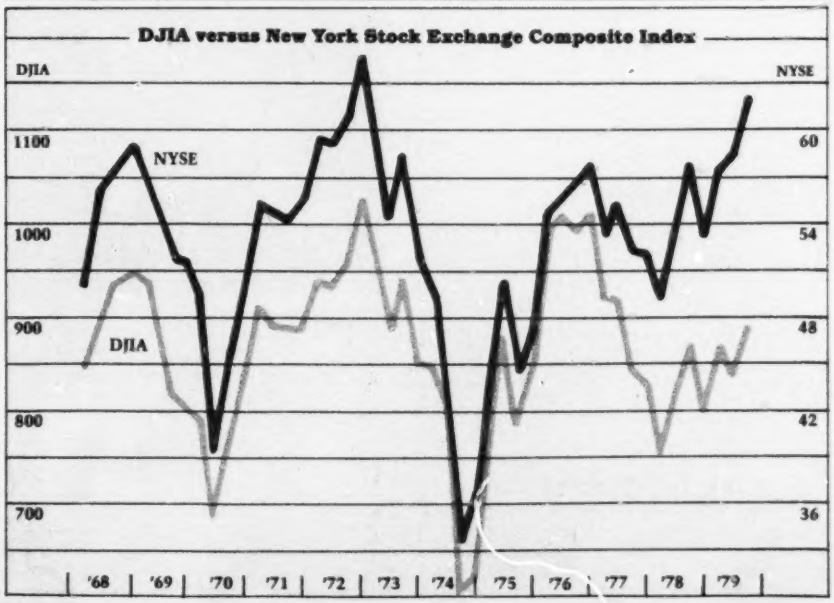
*Current assets minus all liabilities and preferred stock. †Excluding intangibles, as of latest fiscal year-end. NM = Not Meaningful.



On paper, at least, investors are $150 billion richer than they were earlier this year. That's right—$150 billion.

This is a *bear* market?





Statistical Spotlight

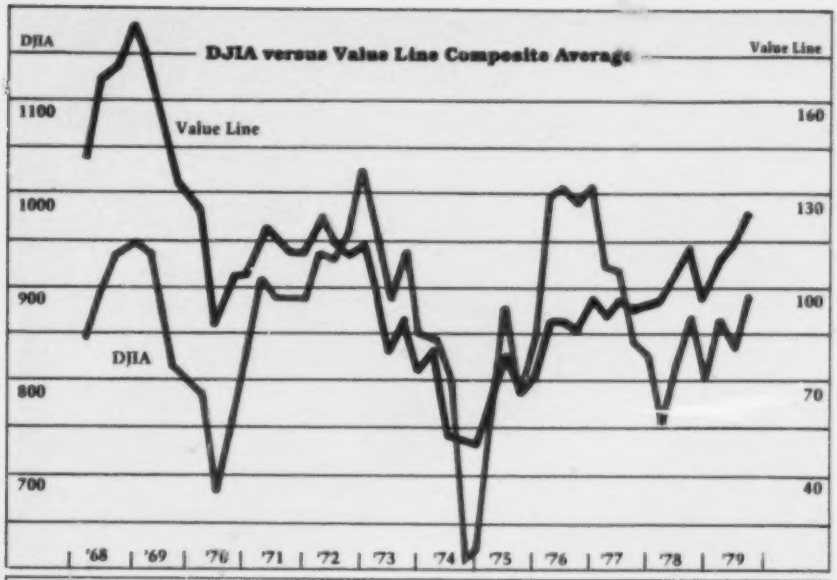
By Howard Rudnitsky

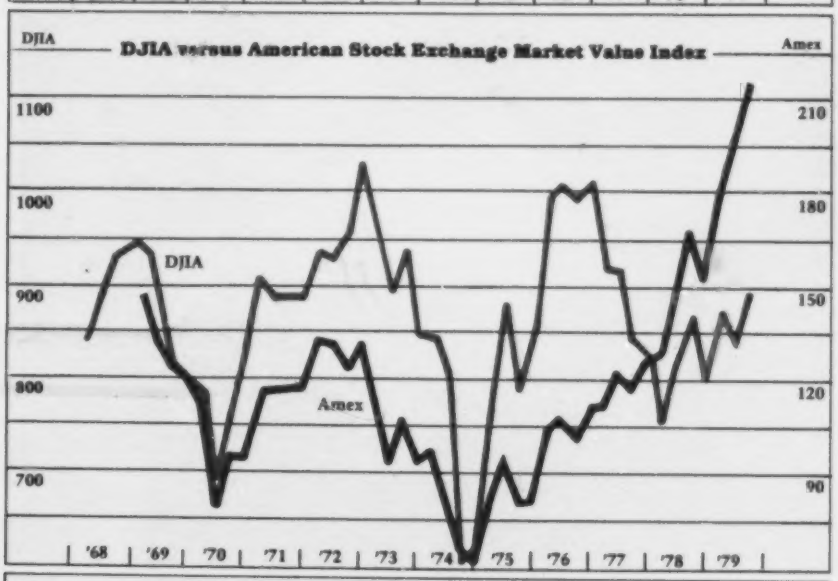
WE'VE HAD A BULL MARKET in gold, silver, old campaign buttons and secondhand barber chairs. Everything has been going up but the stock market.

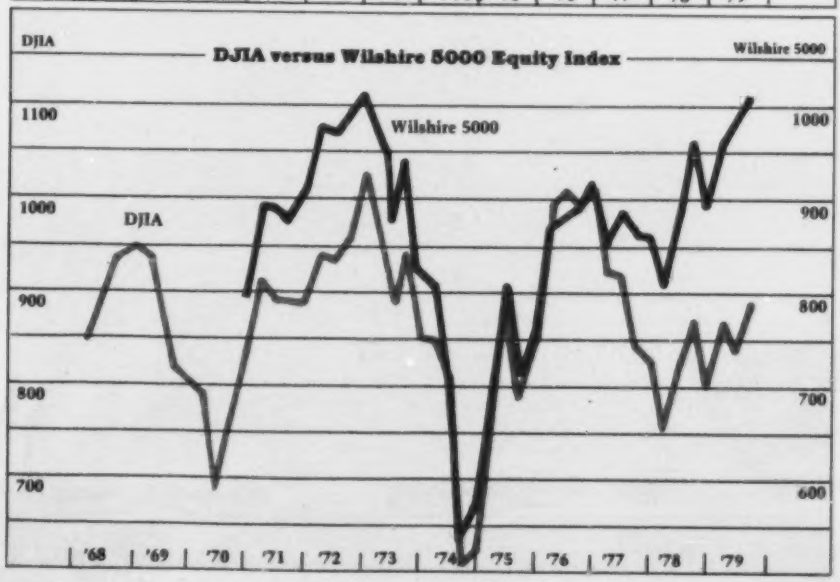
What's wrong with that statement? Just this: It's not true. Measured by some indices, we have had a modest bull market in many stocks since 1975. Since the early Seventies, corporate earnings have generally outpaced stock prices, with the result that stocks have become excellent values in today's inflated economy *(see story, p. 158)*. These values are gradually being translated into higher stock prices. The rise has picked up steam this year, and now, hold on to your hat. Taking into account the entire universe of U.S. common stocks, investors have enriched themselves by something like $150 billion between September and February of this year.

The Dow Jones industrials, to be sure, have risen only modestly. But look at the Value Line Composite Average. This is a far broader average than either the 30-stock Dow or S&P's 500; it includes 1,675 stocks. The Value Line average last month was all the way back to its highs of the early 1970s and up a solid 20% since January. The Value Line average's recovery from 1974—140%—has been strong and fairly steady, with only one major setback and that in last fall's "October Massacre." Value Line still has a way to go to get back to where it was in the wild days of 1968 and 1969, but who's complaining?

Now, let's move to the American Stock Exchange Index. No bear market here. Whereas the DJI is still well below its old highs, the ASE index moved onto alltime high ground last month. It is up 260% from its 1974 low, up some 45% this year alone.







Still not convinced? Then look at the Wilshire 5000 Equity Index, published by Wilshire Associates of Santa Monica. This index—only a computer could love it—is made up of 5,000 stocks, almost the entire equity investment universe in the U.S. It lists Big Board, Amex, over-the-counter and even some under-the-counter stocks. How is the Wilshire 5000 doing? Tremendously well. It recovered spectacularly after 1974, and this year has been going up most of the time . . . from 900 in February to a recent 1056. Net gain in six months: $156 billion.

How does this compare with the late Sixties? We don't know. Wilshire's data base doesn't go back that far. But we know that the Wilshire index is now higher than in 1973, when the DJI made *its* alltime peak.

In case you think the Wilshire index is a freak, heavily weighted to smaller stocks, we hasten to reiterate that it is the broadest of all indices. It is, simply,

The Wilshire 5000 Index—only a computer could love it—went from 900 in February to a recent 1056. Net gain in six months: $156 billion!

the total dollar value of the shares outstanding of all 5,000 stocks. Thus the Dow stocks are an important part of the Wilshire group; it would take several dozen small stocks going up to compensate for an IBM, AT&T or Eastman Kodak falling modestly. And yet that is what seems to have happened. Says Wayne Wagner, one of the creators of the index, "There's been an incredible bull market for hundreds—even thousands—of smaller stocks." There have been—and will continue to be—sharp reactions, but the trend seems unmistakably up for the majority of stocks.

In the old days on Wall Street they used to whisper about "liquidation under cover of the averages." That meant the most prominent stocks were being supported so that the smart money could sell the rest of the overpriced market to small investors. Could it be that we have just been witnessing the opposite? That is, *accumulation* under cover of the averages? Only in this case the smart money are individual investors, smaller money managers and corporate financial officers who buy the secondary stocks while the big institutions have provided "cover" by liquidating stocks and buying bonds.

If you are still not convinced about a bull market, consider this: A little over a year ago you could have bought a seat on the New York Stock Exchange for $48,000. Last month a seat changed hands at $175,000 and the latest asking price was $205,000. Up 327% in a little over a year. That beats even gold or silver. ■